IOWA TELECOMMUNICATIONS SERVICES, INC. D/B/A IOWA TELECOM REVISIONS TO TARIFF F.C.C. NO. 1 TRANSMITTAL NO. 47 SEPTEMBER 13, 2004

DESCRIPTION AND JUSTIFICATION

DS3 SPECIAL TRANSPORT TERMINATIONS

STATEMENT OF CONCURRENCE UNIVERSAL SERVICE FUND AND LIFELINE ASSISTANCE

ADSL PERFORMANCE PLUS LIMITED PROMOTION

Overview

lowa Telecom commenced operations July 1, 2000, after the purchase of access lines and related assets from GTE Midwest, Inc. (now part of Verizon) in Iowa. Iowa Telecom is comprised of two separate and distinct service groups: (1) The Iowa Telecom Service Group; and (2) The Iowa Telecom Systems Service Group. The Iowa Telecom Service Group includes the exchanges located in the Iowa Telecom Systems Service Group includes the exchanges located in the Iowa Telecom and Iowa Telecom Systems Study Areas, 351178 and 351170 respectively.

This transmittal includes changes to two sections of lowa Telecom's tariff to correct errors made when the tariff was originally filed in July 2000:

Iowa Telecom Services Group - DS3 Special Transport Terminations
Statement of Concurrence Universal Service Fund and Lifeline Assistance

In addition, this filing proposes a change to the ADSL Performance Plus Limited Promotion.

DS3 SPECIAL TRANSPORT TERMINATIONS

Page 5-97 references certain services that are limited to services equipped and in service as of March 4, 1999, provided by the predecessor company GTE Telephone Operating Companies. The notation (#) reference was placed behind the 3 System, Unlimited System, Individual Transport, Per DS3, Per Termination Monthly Rates, Code TRG. The notation (#) reference does not apply to this element and is being removed. The reference does apply to the 12 Group and 24 Group systems and is being added to the page. In addition, the notation (#) reference was placed behind the 3 System, Unlimited System, and Individual Transport Per DS3 per Airline Mile, Monthly Rate Code TRG. The limitation does not apply to this element and is being removed.

STATEMENT OF CONCURRENCE UNIVERSAL SERVICE FUND AND LIFELINE ASSISTANCE

Section 12.6 under Carrier Common Line Service indicates that Iowa Telecom concurs in the rates, rules and regulations for the Universal Service Fund and Lifeline Assistance as set forth in the National Exchange Carrier Association, Inc.'s Tariff FCC No. 5, Section 8. This is an outdated reference to the NECA tariff as Section 8 currently covers the rules and regulations for DSL service. Furthermore, when the tariff was initially filed in June 2000, Iowa Telecom established regulations and rates for Universal Service and Lifeline Assistance. The Universal Service Fund is found in Section 13.12, Page 13-5. This filing proposes to remove this reference.

ADSL Performance Plus Limited Promotion

lowa Telecom has introduced DSL in 49 new exchanges in the last three months. DSL is now available in 116 exchanges. Iowa Telecom is proposing to extend the promotional offering to stimulate additional demand for the ADSL Performance Plus Service Level Package (768 Kbps) to meet competitive pressures in the exchanges where DSL is now available. During the period September 28, 2004 through March 27, 2005, a promotion will be offered to end user customers that subscribe to the ADSL Performance Plus service level package. The Performance Plus will be offered at a reduced monthly rate of \$30.00 for customers who sign a 6 month contract. The installation charge of \$75.00 will be waived for such customers.

Current customers subscribing to the ADSL Performance Plus at the standard tariff rate may take advantage of the promotion monthly rate of \$30.00. These customers will be required to sign a six month contract. If the customer is subscribing to their current service level package under a term agreement longer than six months, the customer will be required to maintain the longer term with the promotion amount.

Existing customers that upgrade from an ADSL Basic, Plus or Performance service level package to an ADSL Performance Plus service level package and agree to sign a six month contract will also receive the ADSL Performance Plus for a monthly rate of \$30.00. The \$6.00 software change charge to upgrade their service will be waived. The upgrade will be allowed provided the ADSL channel interface and the customer location remains the same. If the upgrading customer is subscribing to a current service level package under a term agreement longer than six months, the customer will be required to maintain the longer term to receive the promotion amount.

At the end of the six month contract period, the contract will automatically be renewed for another six month contract period for a monthly rate of \$30.00. If the customer requests the discontinuance of the ADSL Performance Plus service

level package prior to the expiration date of the six month contract, termination liability charges will apply. The customer will be billed 50% of any remaining portion of the contract. This promotion is available on service orders placed during the promotional period, with service scheduled to begin within 15 days of the order date.

It is anticipated that the demand for ADSL Performance Plus service level package as a result of this promotion will increase by 478. Iowa Telecom expects a total increase in revenue of approximately \$79,000.00 annualized.